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BOOK REVIEWS AND NOTICES

The History of Economic Thought. By LEWIS H. HANEY. New York: Macmillan, 1911. Pp. xvii+567. \$2.00.

Ever since economics first gained a prominent place in the American college curriculum complaint has been heard of the lack of satisfactory textbooks on the history of the science. The average student gets practically nothing from Blanqui, Cossa, and Nys; Ingram's work, in spite of many excellent qualities, is not in itself an adequate basis for an undergraduate course. Of foreign works, Oncken's and Gide and Rist's are admirably executed; but even if a publisher could be found to present them in English, they would retain an exotic character that would limit their usefulness for our purposes. Accordingly there is good reason why we should welcome the appearance of the *History of Economic Thought*, by Professor Lewis H. Haney, of the University of Texas. Even a cursory examination of the book will indicate that, whether or not it is the ideal textbook on the subject, it is more nearly what we need than any other book now available.

Ostensibly Dr. Haney's work covers a wider field than those of Ingram, Gide, and Oncken. The latter are devoted to the history of economics as a science; Dr. Haney addresses himself to the task of writing of the totality of economic thought. The distinction may mean much or little. It may mean that the chief emphasis will be laid, in the one case, upon the development of professional opinion, in the other case, upon the general current of economic thought in which now professional, now lay opinion, is the dominating factor. A history of economic thought in the United States would probably give little attention to the professional economists of the first three-quarters of the 19th century and would concern itself chiefly with the utterances of statesmen, orators, and publicists. Dr. Haney does not, however, utilize in this way the added territory pre-empted according to his title. It seems with him merely to justify an excursus into the economic ideas found in the sacred books of the East, which manifestly have nothing to do with the history of western economic thought, and a somewhat detailed, though far from exhaustive, discussion of the economic ideas of the Hebrews, Greeks, and Romans.

Further comparison of Dr. Haney's work with Ingram's will show that the former pays less attention to general tendencies and more to the work of specific writers than does the latter. Ingram's book is that of a ripe scholar, Haney's is that of an industrious one. Both authors are essentially of the English classical school, influenced in some measure by the historical economists; Haney displays a higher degree of familiarity with marginal-utility economics. Both writers are mild in their criticism, Ingram by instinct, Haney by principle. Ingram is a solid, if somewhat old-fashioned, philosopher. With Haney philosophy is something that, theoretically, should enter into the technique of this kind of writing. Accordingly he puts some in. A competent editor could easily extricate the

philosophy, and improve the book. (Compare especially the discussion of idealism and materialism, their alleged relation to conservatism and radicalism, "socialism" and individualism, their "indication" of the contrast between labor and land, etc., pp. 7, 8.) Ingram has a clear, uniform, though undistinguished style; Haney writes well when he is engaged in the serious business of analyzing a great writer's doctrines (cf. the chapter on von Thünen); when he proceeds to generalizations of his own, he is capable of expressions like the following: "Both peoples [Hindus and Hebrews] dreamed of a *tabula rasa* or jumping-off place, where, to a greater or lesser extent, debtor and creditor should be equalized." Not to pursue the comparison farther, it may safely be said that Haney is indisputably superior to Ingram in the faithful representation of the doctrines of the great writers on economics. And this is the point of chief significance to the teacher. He can furnish his own philosophical interpretation, or borrow one from Hasbach, Oncken, and Leslie Stephen. Haney furnishes well-assorted materials to work with.

If one examines the book in detail, he finds, after the somewhat ill-digested matter on ancient and mediæval economic thought, a very satisfactory treatment of mercantilism and kameralism. It contains nothing new, but there is probably nothing new to be said on these schools. The Physiocrats receive sympathetic attention; Quesnay and Turgot are discussed at considerable length. It may be noted here that Haney follows Ingram in accepting Turgot's *Eloge* as a faithful account of Gournay's views—something rather difficult to do after Oncken's work on the subject. Indeed, it is hard to see how anyone, reading the *Eloge*, should fail to observe that it is a literary composition of the same order as Pericles' *Funeral Oration* and *Cato Major de Senectute*. Gournay was a progressive, probably, not an academic free-trader, as Turgot represents him.

The solid core of Dr. Haney's book is the discussion of the writers of the period from Adam Smith to Mill. His method is to treat each writer, after Adam Smith, as the representative of a particular doctrine, and to subordinate whatever else there may be in that writer's thought. Malthus, naturally, is made to represent the theory of population; Ricardo, on rather inadequate grounds, I believe, the theory of distribution; Carey represents American incapacity to understand Ricardo; Bastiat stands for optimism; Senior for abstinence, etc. However we may regard the method from a strictly scientific point of view, we cannot question its pedagogical effectiveness. The student will have impressed upon his mind the idea of a fairly harmonious co-operation of the great men of old in raising the framework of political economy. The discussion of each authority is closed by a "critical estimate," in which contemporaneous and current opinion are usually well summarized.

After the discussion of the writers of the classical period, scientific socialism, the historical economists of England, and the German historical school receive due attention. Dr. Haney is not so friendly to the socialistic writers as his teacher, Dr. Richard T. Ely, was when he published his *French and German Socialism*; nevertheless Dr. Haney endeavors to leave on the student's mind the impression that Marx and Rodbertus had certain merits. The historical school is very well handled; its achievements are given more weight than earlier economists of the classical type, exasperated by the pretensions of the school, would have granted.

The last chapter of the history proper is devoted to the marginal-utility concept. Although himself a vigorous exponent of "marginal utilitarianism," the author makes every effort to represent the views of the school fairly. And, barring a few points of detail, he is as nearly successful in this as the limited space at his disposal permits. Adherents of the marginal-utility doctrines will not be disposed to give much weight to the criticisms scattered through the text and in the summary. The fact that the Austrians admit that ultimate limitation of the productive factors plays an important part in determining value—and, in fact, is a condition to the existence of value—does not make cost-theorists of them, as Dr. Haney seems to think. But, after all, Dr. Haney is undoubtedly in the right in giving slight weight to the differences between the classical and Austrian schools. Both theories are essentially utilitarian-mechanical. The more profound critics of the marginal-utility doctrines, like Veblen, single out these doctrines for attack merely as the most logical formulation of the general classical tendency.

The last section of Dr. Haney's book gives us a general account of the leading schools of contemporary economists. Possibly one might quarrel with the classification, in some isolated cases; but in the main no fault can be found with it, except, perhaps, with the prevailingly laudatory tone which suggests that a practical modern has made the ancient precept read, *De viventibus nil nisi bonum*.

Whatever defects a somewhat carping criticism may find in Dr. Haney's book, we must all acknowledge that he has placed us in far better position than formerly to conduct undergraduate courses in the history of economics. It is true, some teachers of economics still question the utility of this branch of the discipline. In his Introduction to Ingram's *History of Political Economy*, President James suggests that the history of doctrine will impress upon the student's mind the idea of the relative character of economic truth. It is an open question whether the student of today is not suffering from an excess of relativism. Dr. Haney expresses the view that a knowledge of the history of economics will make us safely and sanely conservative. But we who read such books as this are already the most conservative class in the community. Our fiercest doctrinal wars are fought to the point of universal exhaustion: scarcely a spent ball escapes to flatten itself against the foundations of the existing order. With respect to one part of his work—the economics of the ancient Hindus and Hebrews—Dr. Haney suggests tentatively that it may help us to an understanding of the modern Japanese and Chinese. Possibly.

The question of the utility of a branch of economic science is, however, fast losing all relevancy. Economics was once a practical discipline. There was a time when we could lure students from literature and philosophy with the bait of worldly gain. But we are now encountering the cut-throat competition of the technical courses in business, and it is easy to see that we are destined to succumb. The money-changers of the temple have expelled us from their confraternity. Our appeal for the future must be that our science is of the humanities, worth while for all who desire to understand the nature and destiny of man. And no branch of the science can make this appeal with greater force than the history of economic thought.

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